

STATE OF COLORADO

CHIP ANNUAL REPORT 1998

THE FOLLOWING ANNUAL REPORT IS SUBMITTED IN COMPLIANCE WITH
TITLE XXI OF THE SOCIAL SECURITY ACT (SECTION 2108(a)).

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I. STATE PLAN OPERATION INFORMATION

Assessment of progress toward the State's identified strategic objectives, performance goals, and performance measures

Strategic Objective #1:

Improve health status of children in Colorado with a focus on preventive and early primary treatment.

The CHP+ program chose five performance goals by which to measure the success of the CHP+ program in providing early primary care and preventive care to its enrollees. Consistent with the commercial model of the plan, five HEDIS measures that are commonly reported by HMOs in Colorado were chosen. These measures quantify the success of an HMO at providing two key services, immunizations and well-care, to its enrollees. In addition, CHP+ established performance goals by which to measure its success. These goals are:

- Ninety percent (90%) of children under two receive the basic immunization series.
- Ninety percent (90%) of 13 year olds receive required immunizations.
- Seventy-five percent (75%) of children under 15 months receive recommended number of well child visits.
- Seventy-five percent (75%) of three, four, five, and six year olds receive at least one well-child visit during the year.
- Seventy-five percent (75%) of children 12 through 17 receive at least one well-care visit during the year.

Due to delayed legislative approval of CHP+ and slower than expected enrollment growth in the program, HMOs that serve the CHP+ population will not have adequate enrollment in 1998 or 1999 to be able to report HEDIS measures on their CHP+ population for those years. After extensive discussion with HMOs, it now appears that HEDIS measures specific to CHP+ enrollees will not be reported until the year 2001 for year 2000 plan experience.

Although the state does not have the data to report HEDIS measures for its 1998 annual report, two other sources of data are available. First, the Colorado Medicaid program requires their contracted plans, which include all but one of the CHP+ plans, to report HEDIS measures on an annual basis. Currently, the Colorado Medicaid program requires their plans to report the five CHP+-identified HEDIS measures. Secondly, the Colorado Business Group on Health, a large employer coalition, annually reports commercial HEDIS measures for plans with whom its members have contracts. The Colorado Business Group on Health requires its plans to report two of the HEDIS measures used by CHP+. CHP+ will use these measures as another indicator.

CHP+ HMOs reported the following Medicaid and commercial HEDIS measures for calendar year 1997:

Plan	Child Immunization		Adolescent Immunization		Well-Care visits <15 months		Well-Care visits 3-6 years		Well-Care visits 12-17 years	
	MC	Comm	MC	Comm	MC	Comm	MC	Comm	MC	Comm
Colorado Access	42%	N/A	2%	N/A	17%	N/A	52%	N/A	26%	N/A
Denver Health Medical Plan	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Community Health Plan of the Rockies	38%	N/A	1%	N/A	26%	N/A	47%	N/A	28%	N/A
Rocky Mountain HMO	52%	66%	8%	N/A	44%	N/A	52%	N/A	32%	33%
United Health Care	N/A	64%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kaiser Permanente	N/A	82%	N/A	N/A	21%	N/A	47%	N/A	22%	23%
Baseline range (# of reported measures)	38%-82% (6)		1%-8% (3)		17%-44% (4)		47%-52% (4)		22%-28% (6)	

CHP+ will use the baseline ranges to gauge its progress toward meeting performance objectives. CHP+ will continue to report these Medicaid and commercial measures in its 2000 and 2001 annual reports.

Strategic Objective #2:

Decrease proportion of children in Colorado who are uninsured and reduce the financial barriers to affordable health care coverage.

- Baseline estimates of the number of uninsured children in their state,

Colorado will use data from the Current Population Survey March Supplement to report estimated uninsured. Although the reliability of C.P.S. data has been questioned, due to small sample size and Medicaid undercounting, it is the only state-level survey conducted on a regular and consistent basis. We believe the estimates provide an adequate framework to measure progress in providing health care coverage to low-income children. The program's baseline is calculated by using a three-year merge of 1995, 1996

and 1997 CPS data to estimate the percent of uninsured children in Colorado. This percentage is then applied to the 1997 population estimates of children under 19 years of age from the Colorado Demographer's Office.

Uninsured children under 19 years applied to Colorado Demographic Profile Population Estimates

	CPS 3 year merge percentage	1997 Colorado Population under age 19	# Uninsured
Uninsured under 19	16.51%	1,096,732	181,070

- A description of the progress made in reducing the number of uncovered low-income children in the state;

During federal fiscal year 1998, CHP+ extended comprehensive health care coverage to 9,641 children who previously did not have access to affordable health insurance, or 5% of the estimated uninsured. CHP+ staff estimate that by the end of federal fiscal year 1999, this number will rise to 22% of the previously uninsured.

Although a portion of the children enrolled in CHP+ may have been eligible for other government programs such as the Indigent Care Program or the Colorado Child Health Plan, these children did not have access to a comprehensive health insurance package. In addition, children who enroll in CHP+ cannot have reported any employer-sponsored insurance for the previous three months to application. For these two reasons, the State assumes that the number of otherwise uninsured children has been reduced by the total number of enrollees in the Child Health Plan Plus.

- Decrease in proportion of children <185% Federal Poverty Level who are uninsured by 50%.

Colorado will use data from C.P.S. and the 1993 RAND Colorado household survey to report estimated percentage of children under 185% of federal poverty who are uninsured. Like the estimate of the number of uninsured children at all income levels, the reliability of C.P.S. data is uncertain, due to small sample size and Medicaid undercounting, but it is the only state-level survey conducted on a regular and consistent basis. The RAND data is also less reliable because of its age, but it is the only survey which estimates the percent of uninsured children between 185% FPL and 200% FPL.

The estimates of the percentage of children under 185% FPL who were uninsured in 1997 is calculated in four steps. First, using a three-year merge of 1995, 1996 and 1997 CPS data, the total number of children under 200% of FPL is calculated. RAND data is then used to estimate the total number of children who are under 200% but above 185%, the CHP+ income eligibility limit. Then an estimate of the number of uninsured under 200%

is calculated. Finally, RAND data is used to estimate how many of these children are under 185% FPL.

Number of children in Colorado, 1997 (Demographer's Office):	1,096,732
Number under 200% FPL (CPS):	377,495
Number under 185% FPL (RAND):	361,172
Number under 200% FPL who are uninsured (CPS):	113,626
Number under 185% FPL who are uninsured (CPS):	110,808
Percent of children under 185% who were uninsured in 1997:	30.68%
Performance objective:	15.34%

The state's performance objective, to decrease the proportion of children under 185% FPL who are uninsured by 50%, translates to reducing the percentage of uninsured children below 185% FPL to 15.34%. Unfortunately, the 1999 March supplement on 1998 data, the first year of the CHP+ program, will not be available until September 1999. CHP+ will report this data in its 1999 annual report.

- Increase percentage of uninsured children enrolled in CHP+ as compared to market penetration for the Colorado Child Health Plan.

When the Colorado Child Health Plan stopped enrollment in March 1998 it had 14,888 enrollees or 13% of all eligibles. During the five months of program operation during federal fiscal year 1998, only 9% of eligibles had enrolled in CHP+. Current enrollment projections, however, indicate that by September 1999, approximately 22,000 children will be enrolled in CHP+, representing a 50% increase in market penetration over the CCHP program.

Strategic Objective #3:

Do not "crowd out" employer coverage.

- Maintain the proportion of children < 185% of federal poverty who are covered under an employer-based plan taking into account decreases due to increasing health care costs or a downturn in the economy.

One of the goals of CHP+ is to ensure that the subsidized coverage offered by the program does not replace private coverage currently being purchased to insure low-income children. The CHP+ performance goal is to minimize "crowd out" by maintaining

the percentage of low-income children covered by employer-sponsored insurance before CHP+ began. Colorado will use CPS to measure its progress in maintaining the percentage of children under 185% who are covered by an employer-based plan. RAND data provides estimates of the number of children under 200% of FPL with employer-based coverage who are over 185% FPL.

Number of children in Colorado, 1997 (Demographer's Office):	1,096,732
Number under 200% FPL (CPS):	377,495
Number under 185% FPL (RAND):	361,172
Number under 200% FPL who are covered by employer-based insurance (CPS):	131,708
Number under 185% FPL who are covered by employer-based insurance (CPS):	119,815
Percentage of children under 185% FPL with EBC in 1997:	33.17%
Performance objective:	Maintain 33.17%

As mentioned in objective two, 1999 CPS data regarding 1998 population insurance status will not be available until September 1999. The Department will report progress on this performance measure using the 1999 CPS data in its 1999 annual report.

Strategic Objective #4:

Coordinate and consolidate with other health care programs providing services to children to create a seamless health care delivery system for low-income children.

One of the key intentions of the state legislation authorizing the CHP+ program was to streamline and consolidate existing health care programs for low-income children in the State of Colorado. In setting a performance objective for this strategic objective, three major health care programs that serve children in Colorado were identified: the Colorado Child Health Plan, the Colorado Indigent Care Program, and Medicaid. The two former programs serve adults and/or children living in families earning under 185% of the Federal Poverty Level, while the Medicaid program serves children and families living in poorer households. The strategic objective of CHP+ is to enroll children formerly served by the Colorado Child Health Plan or the Colorado Indigent Care Program, and to ensure that children who are referred to Medicaid from CHP+ are indeed enrolled in Medicaid.

- Enroll 66% of children currently receiving benefits through the Colorado Child Health Plan into CHP+ by July 1, 1998.

The Colorado Child Health plan is the outpatient, predecessor program to CHP+ that stopped enrolling children on March 15, 1998, approximately one month before CHP+ enrollment began. The Department does not currently have the data to evaluate how many children that are or were enrolled in that program have enrolled in CHP+ due to incomplete eligibility data. The Department will report the total number of CCHP children who enrolled in CHP+ in its 1999 annual report.

- Enroll 50% of children who previously received services through the Colorado Indigent Care Program into the Child Health Plan Plus by July 1, 1999.

The Colorado Indigent Care Program (CICP) reimburses participating hospitals, physicians and labs for the partial cost of treating uninsured clients under 185% of the Federal Poverty Level. Unfortunately, the CICP program does not have an eligibility system, only a claims payment system. The Department is working with both CICP and the Colorado Medicaid program to develop a common eligibility system that would allow the tracking of enrollees across programs. Because this system is not expected to be operational before 2001, the Department will not be able to report this performance measure.

- Maintain that 50% of referrals from CHP+ to Medicaid enroll in Medicaid.

Prior to the implementation of the common eligibility system described above, CHP+ will be able to track clients across CHP+ and Medicaid by creating an interface between the CHP+ eligibility system and the Medicaid Management Information System. This interface was originally scheduled to be completed on July 1, 1998. Delays in transition of the Medicaid Management Information System to a new vendor, however, have delayed the interface to July 1, 1999. The Department will be able to report progress towards this performance measure in its 1999 Annual Report for the last quarter of 1999.

In addition to the performance goals submitted in our Title XXI State Plan, the Office of Medical Assistance (which administers Medicaid) has established a Policy Council to better coordinate policies between Medicaid programs and the CHP+ program. The CHP+ Policy Board has also created an Eligibility and Enrollment working group of the Operations Committee. There is significant overlap of membership on each of the policy development groups to better coordinate Medicaid and CHP+ policy.

Strategic Objective #5:

Acquire contracts to provide statewide HMO coverage.

- Secure HMO coverage by one or more HMOs in each of the 63 Colorado counties.

As of September 1998, CHP+ HMOs covered 29 of Colorado's 63 counties. Because these 29 counties include the majority of the metropolitan areas of the state, 85% of all CHP+ eligibles live in an HMO county. CHP+ is currently reviewing options for providing coverage to the remaining rural areas where the remaining 15% of CHP+ eligibles reside.

The authorizing legislation for the CHP+ program requires that health care services be delivered to CHP+ enrollees through Medicaid managed care organizations wherever possible. At the time of the submission of the Colorado Title XXI plan, two Medicaid HMOs in the State of Colorado had statewide service area licenses, and the CHP+ program hoped to have statewide HMO service delivery for its enrollees within the first year of the program through these two plans. Since that time, one HMO has terminated its contracts with both Colorado Medicaid program and CHP+, and the other has committed to serving three counties in the rural West Slope region of the state.

In those areas where HMO services are not available, the Department provides comprehensive benefits to enrollees through the provider network developed by the Colorado Child Health Plan. The University Health Sciences Center currently maintains this statewide provider network with contractual agreements with primary care providers, specialists, ancillary care services, and hospitals throughout the State. Through a contract with the University, CHP+ reimburses more than 1,000 primary care physicians via capitation and reimburses 1,500 specialty, inpatient, and pharmaceutical providers on a fee-for-service basis. The University provider agreements are currently being rewritten so these providers can enter into agreements directly with the State for continuation of these services in those areas where HMO services are not available. New agreements will be distributed, signed, and processed so that the agreements can be in effect on July 1, 1999, without any interruption of services to CHP+ members. An RFP is currently under development to procure the services of a Network Administrator who will provide a wide range of administrative tasks for this network including network provider recruitment, contracting, and credentialing; quality improvement and utilization management activities; claims administration; and information systems reporting.

B. Barriers to effectively implement Colorado's plan that are associated with program design, planning and implementation and the proposed approaches to address such problems:

Marketing

Current outreach services directed at enrolling children into CHP+ include:

- Media and public service announcements in TV, radio and newspapers

- Back-to-School enrollment campaign in collaboration with public schools
- Community-based outreach and distribution of materials to human service agencies, health departments, social services departments, schools, family resources centers and other organizations working with families
- A toll-free telephone customer line
- Enrollment through other state programs with similar eligibility requirements

Planned outreach includes:

- Direct mail campaigns to currently enrolled families
- Satellite eligibility determination sites that will use on-line applications through the internet
- Community-based enrollment projects involving schools and agencies providing public assistance

The experience of the community in conducting outreach identified the following barriers and gaps in the existing outreach and marketing efforts:

- Marketing efforts for different programs are fragmented. The number of different telephone numbers, as well as the different sources of information for different programs, is daunting and confusing.
- Message to families often focus simply on the availability of insurance coverage, without conveying the message that health insurance is an important part of caring for children
- Existing efforts tend to provide information through health and social services agencies, which do not reach families outside these systems. They do not use community-based organizations and informal groups that are known and trusted by families.
- Colorado's current capacity to use person-to-person outreach is limited by lack of knowledge of existing programs by the individuals in the community who are in the best position to assist families to enroll their children, and by limited resources to conduct one-on-one outreach efforts.

In response to an RFP issued by the Robert Wood Johnson Foundation in early 1998, a wide range of charitable and human service organizations, providers, and state agencies convened to form the Colorado Covering Kids Coalition. The group set the following

objectives for this project, which integrate the goals of outreach, simplification and coordination:

- To coordinate existing coverage programs by supporting the development of a single, consolidated application, and by adopting necessary policies and procedures to sue the application in convenient sites.
- To simplify the process for families enrolling their children into health insurance plans by reducing all barriers, including procedures, transportation, distance, scheduling, language, culture, stigma associated with application, and access to information.
- To facilitate development of community networks to ease the enrollment process, through training of staff and parents in community organizations and institutions that work with the target population.
- To develop and implement a coordinated marketing campaign to reach underserved groups and motivate them to enroll in coverage plans, and to reach third parties who have influence with the target groups, including community-based organizations, employers, health providers, and others.

The lead agency for the project is the Department of Public Health and Environment. Both Health Care Policy and Financing and the Department's eligibility contractor, Child Health Advocates, are active participants.

Information Systems

The State of Colorado developed and implemented an eligibility, enrollment and application tracking system for CHP+. The system is designed to utilize a sophisticated business rules engine and state-of-the-art secure internet technologies to reduce the overall cost of administration and increase the speed and accuracy of screening for Medicaid eligibility, determining eligibility for CHP+ and enrolling children into the program.

During the initial development of the system, the State held joint application design (JAD) sessions to determine the eligibility requirements for Children's and Families Medicaid programs and the process used for determining "probably eligibility" for those programs. The JAD sessions produced eligibility rules for computer-based rules. Since then, the state invested a significant amount of time and money to design and create the requirements for the Colorado Benefit Management System (CBMS), a system similar to the CHP+ eligibility system, but one intended to serve all welfare and medical assistance programs in the state. The process of the CBMS design team was extensive and produced a set of decision tables that are much more comprehensive than the logic created in the JAD sessions. The state has contracted with Electronic Commerce Associates to complete

an assessment of the problem, and a workplan and cost estimate for correcting the CHP+ rules.

In addition to the rules components of the system, the CHP+ system allows satellite eligibility determination (SED) sites to access the eligibility system via the Internet. This concept allows public health departments, schools, and community and school health centers to play an active role in determining eligibility and enrolling children into the program. This structure requires adequate technical and training infrastructure.

To assure the accuracy and functionality of rules engine, the internet capability and other issues such as reliability, capacity, maintenance, security, integrity and reporting, the state has contracted with a state vendor to correct current system problems within a six month period.

Employer Buy-In

CHP+ is developing an employer buy-in program to further reduce the effect of crowd-out the in program. Despite widespread support for a buy-in program from the legislature, community groups, and employers, federal regulations regarding benefits and cost-sharing are presenting significant barriers to implementation of a program that works for families, employers and the program. States that have successfully implemented employer buy-in programs have used special programs, such as a Medicaid 1115 waiver or a state-funded program, to fully operationalize a CHIP employer buy-in program. Without either of these programs in place in Colorado, employer buy-in has been difficult to implement. Colorado shared its concerns with HCFA in February during an employer buy-in conference in February 1999. Colorado hopes to work with HCFA in the future regarding legislative and regulatory changes that are needed to make employer buy-in a viable option for states.

C. Any need for technical assistance from the Department:

- Social marketing
- Minimum federal eligibility criteria for CHIP and Medicaid programs
- Plans for NCQA/HEDIS/CAHPS measures for CHIP plans
- Evaluation strategies for crowd-out

Quarterly 1998 Data

Expenditure and statistical data regarding the Colorado CHIP program were submitted electronically to HCFA on March 5, 1999.

Statistical data regarding the children enrolled in the Colorado non-CHIP Medicaid program are not yet available. Colorado staff will continue efforts to obtain the requested data and will communicate progress to the regional HCFA office.